Profit earned for NHDP

†1121. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether it is a fact that due to handing over road construction work to private sector in the country, the amount of profit being earned by Government from road construction and its operation has been increasing;

(b) if so, whether it is also a fact that Government received Rs. 925 crores in 15 projects of first phase of National Highway Development Programme while it received a profit of Rs. 975 crores from the two projects which were in phase five under the above programme;

(c) if not, the facts in this regard; and

(d) the reasons for more profit in two projects as compared to the fifteen projects?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI K.H. MUNIAPPA): (a) Government does not undertake the development of National Highways with any motive of profit. It is part of the services to be provided to the people. PubliC-Private-Partnership approach has been adopted to augment the efforts of the Government in providing better road infrastructure in the country. Under Public-Private-Partnership (PPP), private sector finances the development of project with own funds and funds received from the market. Depending upon the estimation of revenue from user fees, private sector entrepreneurs demand grant from Government or offer some money to the Government in competitive biding process such that they recover their investment and returns thereon. The estimated revenues from a project will be different in different cases depending upon various factors such as existing traffic, expected growth of traffic and cost of project etc.

(b) to (d) In nine contracts awarded on Build Operate and Transfer (BOT) basis under National Highways Development Project (NHDP) Phase-I, Rs. 706.33 crore was payable by the NHAI as viability gap funding. Under NHDP Phase-V concessionaires of two contracts for Vadodara-Bharuch Surat Section have offered upfront negative grant of Rs. 975 crore.

---

†Original notice of the question was received in Hindi.